

§ 9901.343

and this section based on the employee's NSPS rating of record for that appraisal period. When an employee returns to an NSPS position, these adjustments will be processed in determining the employee's prospective base salary rate. An employee covered by this paragraph (1)(2) is also eligible for a performance-based pay pool bonus if otherwise eligible by share assignment and payout distribution.

(3) *Periods for which employee is not eligible for a rating of record.* If an employee does not have an NSPS rating of record for the appraisal period serving as a basis for increases to base salary under this section, the employee will be credited with base salary rate adjustments based on the average base salary increase (expressed as a percentage) granted to other employees in the same pay pool who received the same rating as the employee's last NSPS rating of record or the average base salary increase (expressed as a percentage) granted to employees who received the modal rating for the pay pool, whichever is most advantageous to the employee. The employee will also be credited with base salary rate increases under § 9901.323 consistent with the provisions of that section. The base salary rate adjustments under this paragraph (1)(3) will be used solely in determining the prospective NSPS base salary rate upon return to the NSPS position. The employee is not eligible for bonus payments for periods covered by this paragraph (1)(3).

(4) *Insufficient statistical information.* In cases where insufficient statistical information exists to determine the modal rating, the Secretary may establish alternative procedures for determining a base salary increase under this section.

§ 9901.343 Pay reduction based on unacceptable performance and/or conduct.

An employee's rate of base salary may be reduced based on a determination of unacceptable performance, conduct, or both after applying applicable adverse action procedures. Such a reduction will be at least 5 percent of base salary and may not exceed 10 percent of base salary. However, a reduction in base salary may be less than 5

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percent to prevent the employee's base salary from falling below the minimum rate of the employee's pay band and may be more than 10 percent if a larger reduction is needed to place the employee at the maximum rate of the lower band. (See also §§ 9901.353(f) and 9901.355(b)(4).) An employee's rate of base salary may not be reduced more than once in a 12-month period based on unacceptable performance, conduct, or both.

§ 9901.344 Other performance payments.

(a) The decision to grant other performance payouts, including the amount of such payouts, will be reviewed and approved by an official of the employee's Component who is at a higher level than the official who made the initial decision, as determined by the Component, unless there is no official at a higher level in the organization. In accordance with implementing issuances, authorized officials may make other performance payments to—

(1) Reward extraordinary individual performance, as described in paragraph (b) of this section;

(2) Recognize organizational or team achievement, as described in paragraph (c) of this section; and

(3) Provide for other special circumstances.

(b)(1) Extraordinary Performance Recognition (EPR) is an increase to base salary, a bonus, or a combination of these intended to reward employees when the payout formula does not adequately compensate them for their extraordinary performance and results. The EPR payment is in addition to performance payouts under § 9901.342 and will usually be made effective at the time of those payouts. When an EPR payout is made in the form of an increase to base salary, the future performance and contribution level exhibited by the employee will be expected to continue at an extraordinarily high level.

(2) Only employees who have achieved a Level 5 NSPS rating of record for the most recently completed appraisal period are eligible for an EPR.

(3) The amount of an EPR awarded in the form of an increase to base salary

may not cause the employee's base salary to exceed the maximum rate of the employee's pay band or any applicable control point, unless the criteria for exceeding the control point are met.

(c)(1) Organizational/Team Achievement Recognition (OAR) payments may be made in the form of an increase to base salary, a bonus, or a combination of these in order to recognize the members of a team, organization or branch whose performance and contributions have successfully and directly advanced organizational goals. The OAR payment is made in conjunction with the annual performance pay-out.

(2) To receive an OAR, an employee must have an NSPS rating of record of Level 3 or higher for the most recently completed appraisal period.

(3) The amount of the OAR payment provided in the form of an increase to base salary may not cause the employee's base salary to exceed the maximum rate of the employee's pay band or any applicable control point, unless the criteria for exceeding the control point are met.

§ 9901.345 Accelerated Compensation for Developmental Positions (ACDP).

(a) Accelerated Compensation for Developmental Positions (ACDP) is an increase to base salary that may be provided to employees participating in Component training programs or in other developmental capacities as determined by Component policy. ACDP recognizes growth and development in the acquisition of job-related competencies combined with successful performance of job objectives.

(b) The use of ACDP is limited to—

(1) Employees in the lowest pay band of a nonsupervisory pay schedule who are in developmental or trainee level positions; and

(2) Employees in positions which are assigned to a Student Career Experience Program and which are in a pay schedule established exclusively for students.

(c) Components choosing to provide ACDP increases must establish and document standards by which such employees will be identified and growth and development criteria by which ad-

ditional pay increases will be determined.

(d) The amount of the ACDP increase generally will not exceed 20 percent of an employee's base salary. The decision to grant an ACDP exceeding 20 percent of an employee's base salary must be made on a case-by-case basis and approved by an official who is at a higher level than the official who made the initial decision, as determined by the Component, unless there is no official at a higher level in the organization.

(e) The amount of the ACDP increase may not cause the employee's base salary to exceed the top of the employee's pay band or any applicable control point, unless the criteria for exceeding the control point are met.

(f) To qualify for an ACDP, an employee must have a rating of record of Level 3 (or equivalent non-NSPS rating of record) or higher, consistent with § 9901.405. An ACDP may be awarded to an employee who does not have a rating of record if an authorizing official conducts a performance assessment and determines that the employee is performing at the equivalent of Level 3 or higher. This performance assessment does not constitute a rating of record.

(g) An ACDP increase may not be granted unless the employee is in a pay and duty status in an NSPS-covered position on the effective date of the increase.

(h) The Secretary may provide adjustments under this section in lieu of or in addition to adjustments under § 9901.342.

PAY ADMINISTRATION

§ 9901.351 General.

(a) *Introduction.* The pay administration provisions in §§ 9901.351 through 9901.356 are applied using base salary rates, except when specifically otherwise provided.

(b) *Geographic recalculation.* When an employee covered by a targeted local market supplement moves to a position in a new location where a different local market supplement and/or pay schedule applies, the employee's adjusted salary before the move will be recalculated to reflect a local market supplement (standard or targeted, as